Tariff Act, 1975 where applicable, as leviable on such goods when imported. In the year 2005-06, exports of Rs. 22840 crore was effected from SEZs. For the year 2006-07 and 2007-08 (upto 31.12.07), physical exports from SEZs was of the order of Rs. 34615 crore (84.5% of turnover) and Rs. 39512 crore (84.3% turnover) respectively, whereas the domestic supplies counted towards positive NFE by SEZs in these two periods respectively was of the order of Rs. 5543 (13.5% to turnover) and 554011.8% of turnover. As for sales in the domestic tariff area which is not counted towards positive NFE and have been made on payment of 100% duty leviable, the same has been of the order of Rs. 827 crore (2% of total turnover) and Rs. 1831 crore (3.9% of total turnover) respectively during these periods.

Protecting traditional retail trade

†2489. SHRI BALAVANT *ALIAS* BAL APTE:
SHRI SHREEGOPAL VYAS:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether some States have not allowed retail food stores to be opened on the western pattern;

(b) the steps taken by Government for protection of traditional retail trade of the country;

(c) whether it is a fact that the retail traders of India are against the opening of retail market for foreign investors; and

(d) if so, the steps taken by Government for redressal of their grievances?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL POLICY AND PROMOTION, MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR): (a) and (b) While Foreign Direct Investment (FDI) is not allowed in retail trading except for retailing of Single Brand Products, there is no restriction on domestic retailers to establish retail stores in the country. However, certain States have, in principle, opposed entry of domestic companies in to the retail sector in the States.

(c) Government has received various representation from industry associations against allowing FDI in retail trade.

(d) The present policy does not permit FDI in retail trade except Single Brand retail where FDI up to 51% with prior Government approval, is allowed.

Products sold under Single Brand Retail with FDI cater to the brand-conscious, young, middle class clientele having a different niche as compared to that served by the small traders. Hence, FDI in retail trade of single brand products is not expected to affect the existing small traders. Government has instituted a study to assess the impact of organised retailing on unorganised retail trade through Indian Council for Research on International Economic Relation (ICRIER). Government has also commissioned a study to the National Council of Applied Economic Research (NCAER) on Growth linkages of Foreign Direct Investment (FDI) in India which would focus on the impact of FDI on rural economy. The final reports are yet to be submitted by these organisations.

† Original notice of the question was received in Hindi .